



DECEMBER
2016



12 weeks period ending 04 December 2016
(12 w/e P12'16) Urban 4 Key Cities & Rural Vietnam



FMCG MONITOR

An integrated update
of Vietnam
FMCG market



EXECUTIVE SUMMARY

KEY INDICATORS



2016 GDP reaching 6.21% did not meet the set target of 6.5%. However, 2016 CPI is better controlled at 2.67%, surpassing the CPI target of 3-4%.

FMCG GROWTH



URBAN 4 key cities FMCG market **REBOUNDS**, Rural FMCG market continues to decelerate.

HOT CATEGORY



KETCHUP and **FACIAL WASH** are emerging in Urban 4 cities and Rural respectively in this period.

RETAIL LANDSCAPE



HYPER & SUPERMARKETS keep rising and expected to be more dynamic in Tet month.

SPOTLIGHT

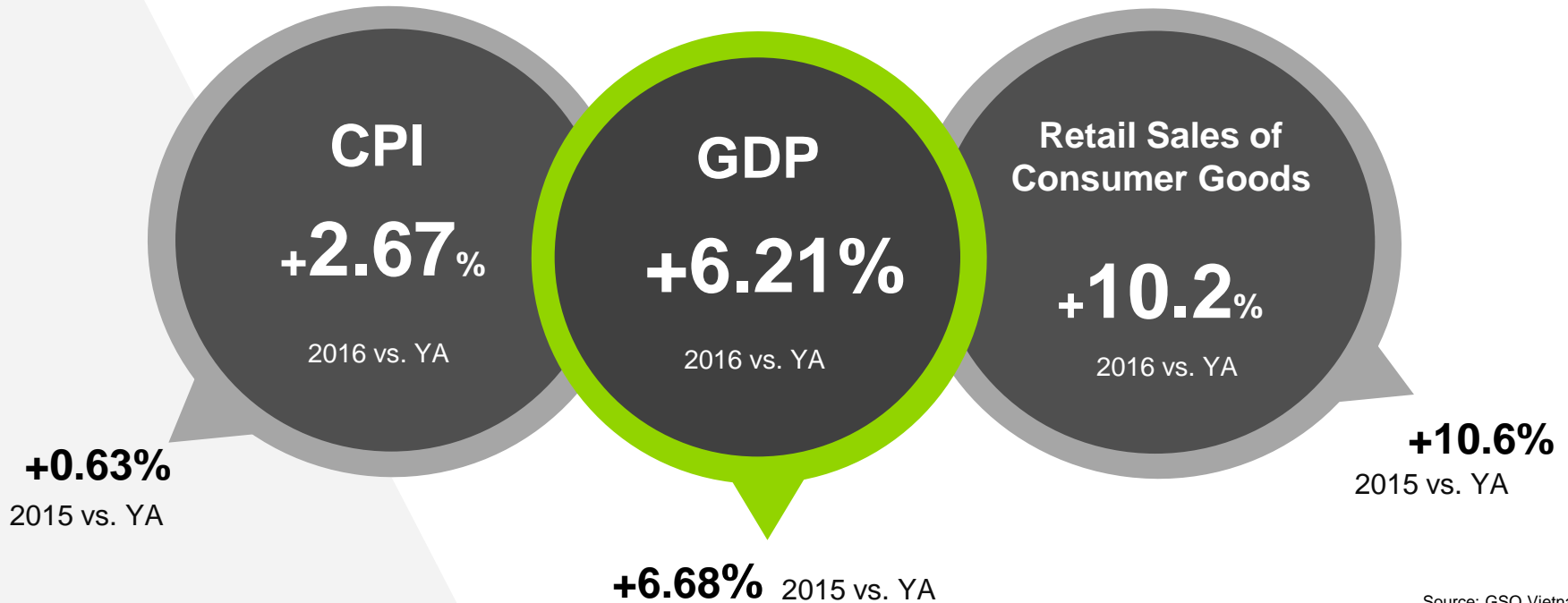


MILLENNIALS, big portion of Vietnam's population and contribute largely to FMCG market.

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KEY INDICATORS

2016 GDP reaching 6.21% did not meet the set target of 6.5%. However, 2016 CPI is better controlled at 2.67%, surpassing the CPI target of 3-4%. In addition, retail sales of consumer goods also maintain its double digit growth of 10% on average.

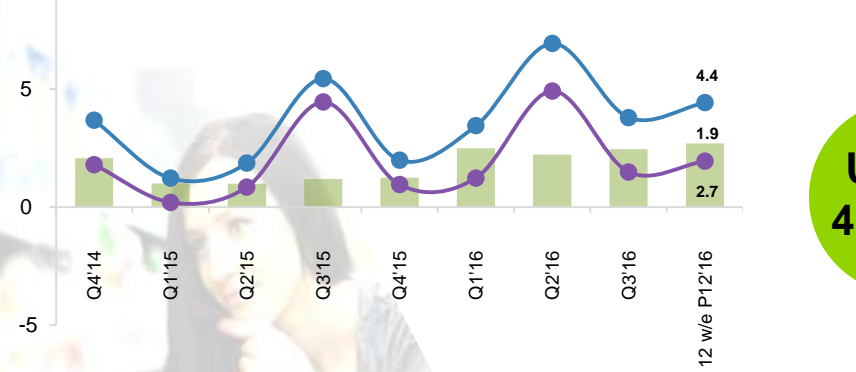


Source: GSO Vietnam

2 FMCG GROWTH

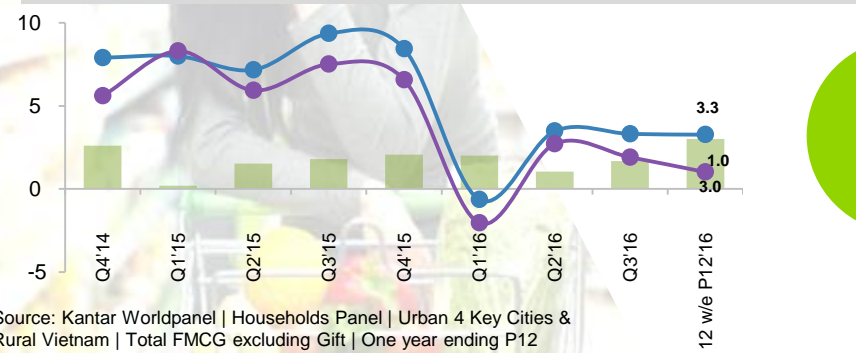
Urban 4 key cities FMCG market rebounds, compared to the same period last year. Meanwhile, Rural FMCG market continues to decelerate, driven by the shrink of purchasing volume.

FMCG – 12 WEEKLY YEAR-ON-YEAR CHANGE (%)



Urban 4 Cities

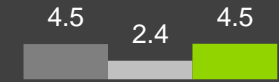
% change Avg. Price paid* Value Volume**



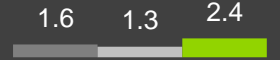
Rural



Value Growth%



Volume Growth%



■ 2014 vs YA ■ 2015 vs YA ■ 2016 vs YA



*: To calculate **FMCG price paid change**, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA
 : To calculate **FMCG volume change, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)

Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | One year ending P12

2 FMCG GROWTH BY SECTOR

Beverages was the fastest growing sector in 2015 but cannot replicate that performance in 2016 as it suffers a drop of shopping frequency in both Urban and Rural market. Packaged Foods and Home Care continue shining in Urban while Dairy and Personal Care still leading the growth in Rural.

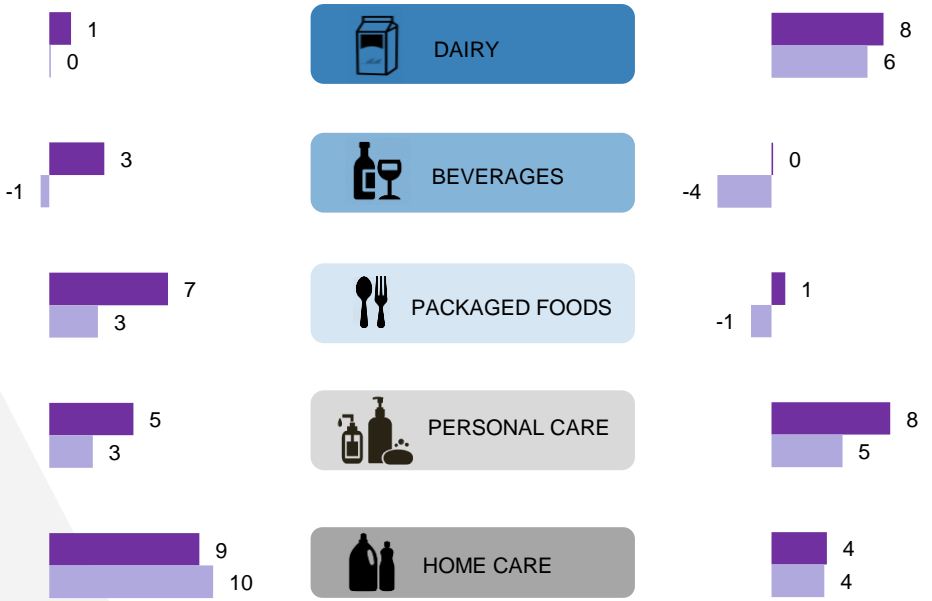


Urban 4 cities



Rural

■ Value change % ■ Volume change % 12 w/e P12'16 vs year ago



*: To calculate **FMCG volume change**, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)
 Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift

HOT CATEGORY

Ketchup and Facial Wash are emerging in Urban and Rural respectively. These categories are attracting more buyers and see much potential to expand further as above 80% people have not purchased them yet. Are we seeing a change in the eating habits and cleaning regimes of Households and Individuals?

Urban 4
Cities



KETCHUP

Rural



FACIAL
WASH

VOLUME
GROWTH

+13%
vs year ago

+21%
vs year ago

NO. OF
BUYERS

14.5% Of Urban
households
(+2.7pts vs year ago)

10.8% Of Rural
households
(+1.3pts vs year ago)

AVERAGE
PRICE

9.8k/250g
(VND)

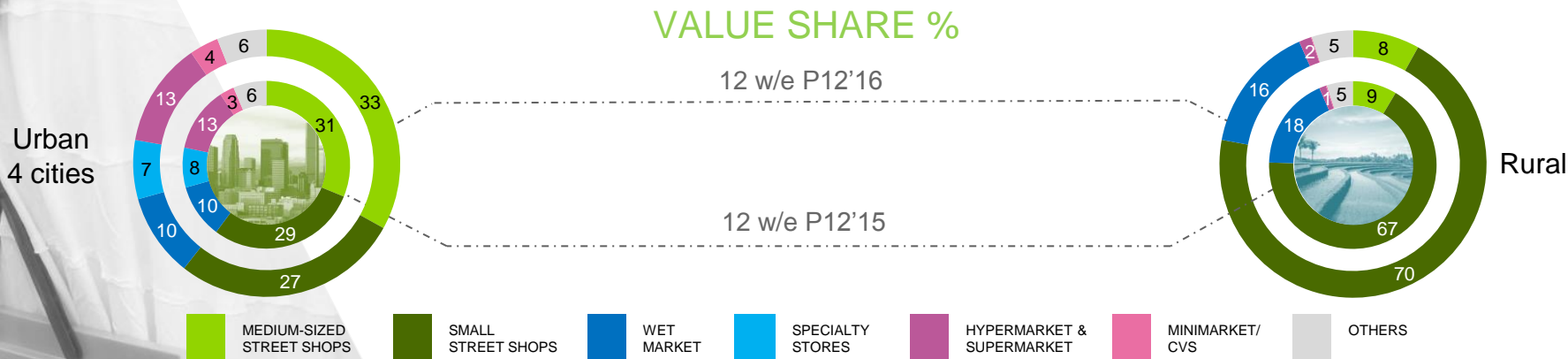
59k/100g
(VND)

12 w/e P12'16 vs year ago

Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift

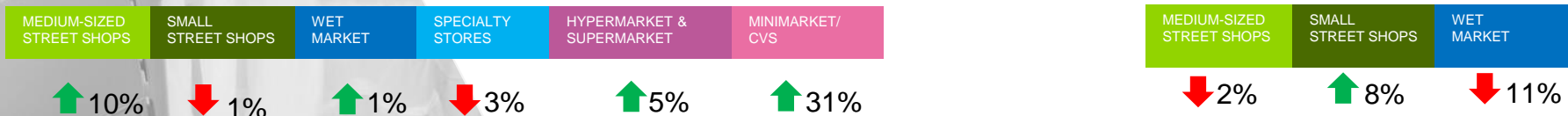
RETAIL LANDSCAPE

Street Shops (medium-sized format in Urban 4 cities, small size format in Rural) and Mini-Stores (including minimarket and convenience store format) are still growing well. Hyper & Supermarkets continue rising to 5% in Urban areas and are expected to retain their momentum in Tet period.



VALUE CHANGE %

12 w/e P12'16 vs year ago



Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift

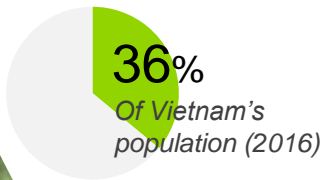
SPOTLIGHT OF THE MONTH

Millennials, Stay focused?!
 The group accounts for big portion of Vietnam's population. Their lifestyle is different to the group >40YO. In FMCG, their value contribution to Vietnam* market is also higher than in other SEA countries, which is expected to increase further in the connected era.

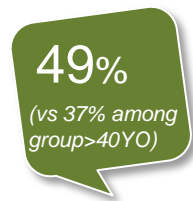


WHO ARE THEY?

BORN FROM 1980 TO 2000
 (source: Google)

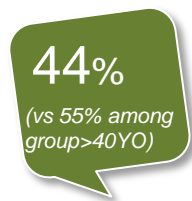


MORE SOCIAL AND CONNECTED

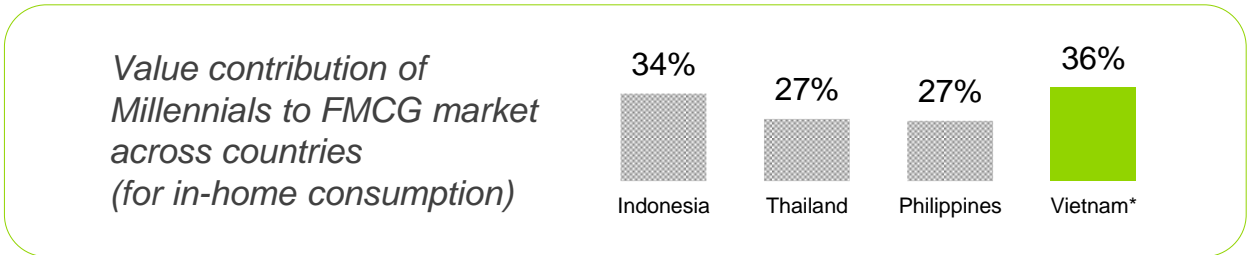


Agree that "I surf Internet to get updates about the world rather than traditional media."

MORE GENEROUS



Agree that "I work to a strict budget when I'm buying groceries."



*Based on main shoppers <35YO, except <40YO in Vietnam Urban 4 key cities due to standard panel structure
 Source: Kantar Worldpanel | Lifestyle Survey 2015 & Households Panel | One year ending March 2016

About Kantar Worldpanel

Kantar Worldpanel is the global expert in shoppers' behavior.

Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organizations globally.

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behavior into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others.

For further information, please visit us at www.kantarworldpanel.com.vn

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